

March 31, 2021

State of Rhode Island General Assembly
House Finance Committee
82 Smith Street
Providence, RI 02903

RE: Rhode Island House Bill 6122, Regarding Provisions on Commercial Feed Registration Fee Increases

Dear Chair Abney, First Vice Chair Slater, Second Vice Chair Marszalkowski, and Members of the Committee:

The Pet Food Institute (PFI) appreciates the opportunity to provide comments regarding provisions in [House Bill 6122](#), Making Appropriations for the State Fiscal Year Ending June 30, 2022.

Established in 1958, PFI is the trade association and the voice of U.S. cat and dog food and treat manufacturers. Our members account for the vast majority of dog and cat food and treats made in the United States, and feed the vast majority of the 180 million pets in U.S. households. Our members operate under regulations issued by the U.S. Food and Drug Administration and enforced by both federal and state officials. This means dog and cat owners throughout the United States and around the world benefit from science-based regulation that provides the safest animal food supply available in the world.

PFI opposes the proposed tax increase to commercial feed in HB 6122, which would increase the registration fee from \$60 per product to \$100 per product. This amounts to a 67% tax increase – imposing a significant burden on pet food makers just to sell their products in Rhode Island.

The tax is applied to every product label which has significant implications on manufacturers. For every cat or dog food product on the shelf there are often multiple protein formula variations (salmon, chicken, beef, lamb) as well as diets specifically formulated for different ages (puppy, kitten, adult, senior), each of which must pay the tax. A typical pet food maker could be forced to pay at least \$1,600 under this new tax just to register a single product for sale in one state.

Our reading of the proposed bill indicates the funds earned from this fee go directly to the Rhode Island General Fund, rather than solely funding commercial feed registrations for which the fee is designated. We see no detailed accounting of how the increased revenue will be used, nor does the bill as drafted provide any assurance that the increased revenue will only be used to support the feed control branch. Additionally, we have not received any communication that the Division of Agriculture needs additional funds for this specific program, nor have pet food makers experienced delays in registering their products in Rhode Island.

As drafted, the increase in registration fees for commercial feeds is a tax disguised as a fee with no demonstrated need for additional Division of Agriculture funds to administer the program. This 67% tax increase – solely burdening commercial feed manufacturers – could result in a reduction of choices

for Rhode Island consumers and reduced sales from brick-and-mortar retail in the state, who employ Rhode Island residents and who have already been negatively impacted by changing shopping habits of customers during the COVID-19 pandemic. **For these reasons, PFI opposes increasing the commercial feed registration fee.**

On behalf of PFI members, whose nearly 25,000 employees in 32 states provide safe food for the 180 million pets across the U.S., we thank you for the opportunity to share our views. I would be happy to discuss this issue in more detail.

Sincerely,



Morgan Beach
Director of Public Affairs
Pet Food Institute